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E.O. 12958: DECL: 09/28/2026
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SUBJECT: PARAGUAY: CRISIS WITH BOLIVIA AVERTED, FOR NOW

REF: ASUNCION 0992

Classified By: PolCouns James P. Merz; Reasons 1.4 (b), (d).

¶1. (C) SUMMARY. After a quick Bolivian climb-down over insults directed at Paraguayan President Duarte, Paraguay accepted Bolivia's apology, standing down on its threat to withdraw its Ambassador to Bolivia. Separately, Paraguay's Minister of Defense described the recent border crossing of some six Bolivian soldiers as consistent with a bilateral executive agreement -- a view not shared by some members of Congress. Visiting Bolivian Defense Minister insisted Bolivia had no aggressive designs on Paraguay, maintaining instead that other "interests" seek to foment "a conflict that doesn't exist." While Bolivia's apology brings to a close the immediate chapter of tensions, Paraguayan political and military officials remain concerned about Bolivian activities and intentions. END SUMMARY.

¶2. (U) Paraguay's Minister of Interior Rogelio Benitez announced September 27 that Paraguay had accepted Bolivia's apology for the comments made by Bolivia's Interior Minister Rafael Puente accusing Paraguay of having passed falsified documents and calling Paraguayan President Duarte "a liar." According to press reports, Bolivia described Puente's statements as "lamentable and without foundation." Puente was reportedly fired later in the day. Bolivia's apology enabled Paraguay to stand on its threat to recall its Ambassador from Bolivia.

¶3. (U) Separately, Paraguay's Minister of Defense Roberto Gonzalez asserted that the recent border crossing of some six Bolivian soldiers was allowed within the context of a "Guide on Norms and Procedures" signed with Bolivia in 1999 on the informal cross-border of movements of troops. Visiting Bolivian Defense Minister Walker San Miguel insisted Bolivia had no aggressive designs on Paraguay. He publicly stressed that Bolivia is a poor country with no desire to enter into an arms race. Instead, its plan to construct a new base within 200 kilometers of its border with Paraguay and purchase new weapons flowed from a desire to establish a more "integral defense" posture accompanied by "regional exchanges" in the areas of "defense, energy and culture." San Miguel suggested other "interests" seek to promote conflict between Paraguay and Bolivia. Most observers took his reference to other "interests" as a clear allusion to the U.S.

¶4. (C) Paraguay's Constitution mandates Congress must approve of treaties for them to carry legal weight. It also explicitly requires Senate approval for the entry of foreign

troops. According to an "aide memoire" that Ceferino Valdez, the MFA's Undersecretary for Bilateral Affairs, shared with PolCouns, however, the "guide" Defense Minister Gonzalez referred to does not constitute an "international treaty" or a "bilateral document." Rather, it is a "Procedure Manual for the Armed Forces" that was signed during biannual discussions between military officials from Bolivia and Paraguay. As such, the implication is that it does need to be ratified by Congress. (This "guide" was ratified by Paraguayan President Macchi in 2000.)

15. (C) COMMENT: Bolivia's apology has deflated the immediate crisis between Bolivia and Paraguay over the Bolivian Minister's insults. Paraguay's Defense Minister clearly sought to play down concern about Bolivia's military intentions with his comment that the recent unannounced entry of Bolivian troops was allowed under a guide between the two countries. Complaints by several Paraguayan military officials to Emboffs, however, would suggest they do not share the Defense Minister's sanguine view on this issue. They maintain the guide to which the Defense Minister refers requires 48 hours advance notice. Some experts have also maintained the agreement requires Congressional approval. It has not escaped our attention that while Paraguay allows Bolivians troops to cross the border unannounced on the basis of a "guide" not approved by Congress, it requires Congress to approve the entry of all U.S. troops participating in military exercises. We will be pointing out this apparent double standard as we press the GOP to move ahead on our agreement allowing for the military exercises and MEDRETES with the U.S. in 2007. END COMMENT
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